



LAKE COUNTY, COLORADO

**FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2023

LAKE COUNTY, COLORADO

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December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Lake County, Colorado
Leadville, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Lake County, Colorado (the County) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Emphasis of Matter

As described in Note 12 to the financial statements, as of and for the year ended December 31, 2022, have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The accompanying combining and individual fund statements, the budget comparison schedules, local highway finance report, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the budgetary comparison schedules, and the schedule of expenditures of federal awards, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2025, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

DMC Auditing and Consulting, LLC

January 13, 2025
Bailey, Colorado

Management's Discussion & Analysis (M.D.A.)

Lake County Government

P.O. Box 964

Leadville, Colorado 80461

* As of And For The Year Ended December 31, 2023

As the management of Lake County, Colorado (the County) we offer the readers of our County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2023. Within this section of Lake County, we are pleased to provide this document to the public which discusses and analyzes the context of the accompanying financial statements and disclosures following this section.

SUMMARY OF LAKE COUNTY FINANCIAL STATUS * HIGHLIGHTS

At December 31, 2023:

- The County's assets were \$64,464,298
- Total County's net position was \$53,948,396
- The County's governmental funds had a fund balance of \$22,982,608
- The County's General fund had a fund balance of \$18,077,578

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's *basic financial statements*. The County's basic financial statements are comprised of 3 components: 1) Government-wide financial statements; 2) Financial Statements; and 3) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. Comparative data is presented when available.

Government-wide Financial Statements

The *Government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *Statement of Net position* presents information on all the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position serves as a useful indicator of whether the financial position of the County is improving or deteriorating. Evaluation of the overall financial health of the County would extend to other factors such as diversification of the taxpayers base or condition of the County infrastructure, in addition to the financial information provided in this report.

The *Statement of Activities* presents how the County's net position changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the fiduciary control of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and

Management’s Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2023

regulations. Within the basic financial statements, fund financial statements focus on the County’s most significant funds rather than the County as a whole. Major funds are separately reported.

The County has three types of funds: *Governmental, Proprietary, and Fiduciary Funds*.

Governmental Funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different in that these statements report short-term calendar-year accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 4 through 11 of this report.

Proprietary Funds are reported in the fund financial statements and generally report services for which the County charges other funds a fee. The County proprietary fund is classified as an internal service fund and provides separate information for the business-type activity provided by the County.

The basic internal service fund financial statement is presented on pages 12 through 14 of this report.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County’s own programs. The Fiduciary Fund used by the County is the Agency Fund which represents funds collected and distributed by the County Treasurer, County Clerk, Public Trustee, and Sheriff.

The basic fiduciary fund financial statements is presented on page 15-16 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information to demonstrate compliance with the County’s adopted and final revised budget. Budgetary comparison statements are included as “required supplementary information,” beginning on page 29, for the general fund and major special revenue funds.

Management’s Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2023

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position can be observed and used to discuss the changing financial position of the County as a whole.

The County’s net position at calendar year-end is \$53,948,396. The following table (Fig. 1) provides a summary of the County’s net position:

(Fig. 1)

**LAKE COUNTY, COLORADO
STATEMENT OF NET POSITION**

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	
	2023	2022
ASSETS		
Current and Other Assets	\$ 27,439,553	41,866,431
Capital Net Assets	37,024,745	32,318,732
TOTAL ASSETS	64,464,298	74,185,163
LIABILITIES		
Current Liabilities	4,155,617	6,298,973
Long-Term Liabilities*	6,360,285	1,230,673
TOTAL LIABILITIES	10,515,902	7,529,646
NET POSITION		
Net Investment in Capital Assets	30,282,124	31,684,146
Restricted for:		
Restricted: Tabor	639,800	360,000
Restricted Other Purposes	2,313,596	1,972,596
Unrestricted	20,712,876	19,644,027
TOTAL NET POSITION	\$ 53,948,396	\$ 53,660,769

*Landfill Closure/Post-Closure was incorrectly recorded as a current liability in 2022

Traditionally, the largest portion of any government’s investments is in its capital assets. Land, buildings, equipment, machinery, and specialized tools are necessary to deliver and/or provide services to the County’s residents and visitors. The County’s capital assets account for 57.8% of its total assets; these assets are not an available source for payment of future spending. The County’s government-wide net position increased \$624,142 during the current fiscal year, primarily due to increases in capital assets and favorable revenue collections.

Management's Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2023

The following table (Fig. 2) provides a summary of the County's changes in net position.

(Fig. 2)

LAKE COUNTY, COLORADO Summary of Changes to Net Position

	<u>2023</u>	<u>2022</u>
REVENUES		
Program Revenues:		
Charges for Services	\$ 3,479,403	\$ 4,168,666
Operating Grants & Contributions	5,177,509	9,257,955
Capital Grants & Contributions	1,790,731	-
General Revenues:		
Taxes	19,358,947	14,235,618
Interest & Other Revenues	2,232,533	297,767
Total Revenues	<u>32,039,123</u>	<u>27,960,006</u>
EXPENSES		
General Government	9,009,302	7,741,933
Public Safety	7,083,558	2,924,292
Public Works	1,408,611	2,371,015
Public Health & Welfare	6,515,553	7,205,251
Culture & Recreation	1,407,629	645,729
Economic Developemnt	1,135,233	649,152
Interest on Long-term Debt	85,641	320,020
Total Expenses	<u>26,645,527</u>	<u>21,857,392</u>
Change in Net Position	5,393,596	6,102,614
Net Position, January 1*	<u>48,554,800</u>	<u>47,558,155</u>
Net Position, December 31	<u>53,948,396</u>	<u>53,660,769</u>

*Net Position Prior Year Balances for 2022 Were Restated - See Footnotes to Financial Statements

GOVERNMENTAL REVENUES

Program revenues cover 39.7% of governmental operating expenses. This means that the County's taxpayer and other general governmental revenues fund 60.3% of the governmental activities. Property taxes provided approximately \$13 million or 40.8% of the County's total governmental revenues. Sales taxes were the second largest revenue source totaling \$5.3 million or 16.6% of the total governmental revenues. The County also relies on Federal and State operating grants and funding to support health and welfare operations.

Management’s Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2023

The following table (Fig. 3) presents the cost of each of the County’s programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden placed on the County’s taxpayers by each of these functions.

(Fig. 3)

	Total Cost of Service	% of Total	Net Cost of Services	% of Total
General Government	\$ 10,144,535	38.1%	\$ 4,343,509	27.4%
Public Safety	7,083,558	26.6%	6,943,264	43.8%
Public Works	1,408,611	5.3%	(362,554)	-2.3%
Public Health & Welfare	6,515,553	24.5%	3,982,526	25.1%
Culture & Recreation	1,407,629	5.3%	868,983	5.5%
Debt Service	85,641	0.3%	85,641	0.5%
	<u>\$ 26,645,527</u>	<u>100.0%</u>	<u>\$ 15,861,369</u>	<u>100.0%</u>

*General Government Total & Net Cost of Services Includes Economic Development

GOVERNMENTAL FUNCTIONAL EXPENSES

The general government, public safety, and public health and welfare functions make up approximately 85.3% of the total governmental activities’ expenses. General government totals 38.2% of total governmental expenses with public health and welfare totaling 24.6%, public safety totaling 26.8%, and public works and recreation totaling 10.1%. General government includes administrative and airport functions. Public health and welfare include landfill and human services as well as pass-through grants from the Colorado Department of Public Health and Environment.

FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

Government Funds

As discussed, *Governmental Funds* are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$22,982,608.

The total ending balances of governmental funds show an increase of \$3,792,709 or a 90% increase over the prior year. This increase is primarily the result of the events and programs described in further detail within the analysis of the County’s governmental activities that follows.

Management's Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2023

The General Fund

The *General Fund* is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$5,642,031. The key contributing factors were increases in revenues for taxes \$16,155,046 (property & sales tax) and increased investment earnings \$1,099,290.

The Road & Bridge Fund

The *Road and Bridge Fund* is used to account for the motor fuel tax revenues and other sources of revenue legally restricted to the maintenance of County roads. The Road and Bridge fund balance decreased by \$ 433,531. Key contributing factors included decreased Licenses and Permits (\$21,570) and decreased charges for services (\$10,837) down \$95,475 from 2022 and an increase of \$ 777,775 in Capital Outlay expenditures.

The Human Services Fund

The *Human Services Fund* accounts for the operations of the County's welfare services. The Human Services fund balance decrease of \$320,016 as a result of increased Health and Welfare Expenditures (\$3,322,802) an 86% increase over 2022.

The Grants Fund

The *Grants Fund* accounts for the County's grant activities from Federal, State, and local sources. The Grant fund balance is (-\$3,144,732). Prior years deferred revenues have been carried on the balance sheet for multiple years regardless of county policies and in deficit of required documentation to support adequate tracking and recording of grant disbursements. (See Footnotes to Financial Statements for Detail)

The Internal Service Fund

The County operates one internal service fund, for the purpose of funding health, dental, and worker's compensation insurance benefits for its employees as well as general and building liability insurance. Fund balance for the year increased \$140,852, primarily due to increases in Property Tax Revenues (\$1,051,770).

BUDGET HIGHLIGHTS

Budgetary Information

The General Fund revenue budget was amended during the year from \$16,216,324 to \$18,836,542 for a total increase of \$2,617,218. Realized revenues exceeded final budget estimates in total by \$2,235,729.

In total, the County realized 119% of the estimated revenues.

The expenditure side of the original budget for the General Fund was amended during 2023. Actual expenditures were less than planned expenditures in general government activities of \$9,009,302, culture and recreation activities of \$1,407,629, and public safety \$7,083,558.

Management’s Discussion and Analysis (Unaudited)

Lake County Government

As of And For the Year Ended December 31, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County’s investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2023, was \$37,024,745.

The County’s capitalization policy pertains to assets with a purchase value of \$5,000 or greater. Assets of lesser value are treated as operational expenditures.

Additional information as well as a detailed classification of the County’s net capital assets can be found in the Notes to the Financial Statements

Debt Administration

At the end of the calendar year, the County had \$9,324,319 of recorded debt outstanding.

**LAKE COUNTY, COLORADO
OUTSTANDING BORROWINGS**

	GOVERNMENTAL ACTIVITIES	
	2023	2022
Leases and Financed Purchases	\$ 6,190,487	\$ 634,586
Compensated Absences	425,821	328,789
Landfill Closure and Postclosure Care	2,708,011	2,537,367
	<u>9,324,319</u>	<u>3,500,742</u>

CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County’s finances, comply with finance-related laws and regulations, and demonstrate the County’s commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Commissioner’s Office, Lake County Courthouse, Post Office Box 964, Leadville, Colorado 80461.

BASIC FINANCIAL STATEMENTS

LAKE COUNTY, COLORADO
STATEMENT OF NET POSITION
December 31, 2023

	PRIMARY GOVERNMENT	COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	LAKE COUNTY 911 AUTHORITY
ASSETS		
Cash and Cash Equivalents	\$ 25,071,036	\$ 497,009
Accounts Receivable	1,618,069	9,160
Grants Receivable	1,010,358	-
Prepaid Expenses	16,800	-
Inventory	37,697	-
Deposits	50,102	-
Interfund Balances	(364,509)	-
Capital Assets, <i>Not Being Depreciated / Amortized</i>	10,336,625	-
Capital Assets, <i>Net of Accumulated Depreciation / Amortization</i>	26,688,120	-
TOTAL ASSETS	64,464,298	506,169
LIABILITIES		
Accounts Payable	860,752	-
Accrued Payroll	490,780	-
Insurance Payable	639,784	-
Other Payables	154,776	-
Unearned Revenues	2,008,525	-
Deposits	1,000	-
Long-Term Liabilities		
Due Within One Year	473,402	-
Due in More Than One Year	3,178,872	-
Landfill Closure / Post-Closure Liability	2,708,011	-
TOTAL LIABILITIES	10,515,902	-
NET POSITION		
Net Investment in Capital Assets	30,282,124	-
Restricted for:		
Emergencies	639,800	6,353
Roads and Bridges	846,903	-
Lodging Tax	135,796	-
Parks and Recreation	439,245	-
Human Services	130,248	-
Capital Projects	761,404	-
Unrestricted	20,712,876	499,817
TOTAL NET POSITION	\$ 53,948,396	\$ 506,169

The accompanying notes are an integral part of the financial statements.

LAKE COUNTY, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	COMPONENT UNIT LAKE COUNTY 911 AUTHORITY
PRIMARY GOVERNMENT						
Governmental Activities						
General Government	\$ 9,009,302	\$ 2,368,974	\$ 2,387,105	\$ 940,479	\$ (3,312,744)	\$ -
Public Safety	7,083,558	-	111,463	-	(6,972,095)	-
Health and Welfare	6,515,553	82,587	2,417,025	-	(4,015,941)	-
Culture and Recreation	1,407,629	120,248	261,514	63,943	(961,924)	-
Public Works	1,408,611	907,594	402	786,309	285,694	-
Economic Development	1,135,233	-	-	-	(1,135,233)	-
Interest on Long-Term Debt	85,641	-	-	-	(85,641)	-
TOTAL PRIMARY GOVERNMENT	\$ 26,645,527	\$ 3,479,403	\$ 5,177,509	\$ 1,790,731	(16,197,884)	-
COMPONENT UNIT						
Lake County 911 Authority	\$ 50,305	\$ 207,655	\$ -	\$ -	-	157,350
GENERAL REVENUES						
Property Taxes					13,056,241	-
Specific Ownership Taxes					639,429	-
Sales Taxes					5,328,784	-
Lodging Tax					334,493	-
Mineral Lease Contribution					870,076	-
Investment Income					1,099,290	1,192
Other Revenues					263,167	-
TOTAL GENERAL REVENUES					21,591,480	1,192
CHANGE IN NET POSITION					5,393,596	158,542
NET POSITION, Beginning, as Restated					48,554,800	347,627
NET POSITION, Ending					\$ 53,948,396	\$ 506,169

The accompanying notes are an integral part of the financial statements.

LAKE COUNTY, COLORADO

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2023

	GENERAL	ROAD AND BRIDGE	HUMAN SERVICES	GRANTS
ASSETS				
Cash and Cash Equivalents	\$ 16,753,947	\$ 862,923	\$ 257,866	\$ -
Accounts Receivable	741,036	67,667	9,959	-
Grants Receivable	-	-	130,297	839,134
Interfund Receivables	3,479,241	-	-	-
Prepaid Expenditures	-	-	8,400	-
Inventory	-	-	-	-
Deposits	19,500	20,602	-	-
TOTAL ASSETS	20,993,724	951,192	406,522	839,134
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	634,696	23,097	1,287	119,300
Other Payables	141,975	-	12,801	-
Accrued Payroll	313,476	32,062	63,285	11,340
Insurance Payable	400,672	49,130	100,007	32,693
Interfund Payables	-	-	-	3,416,385
Deposits	-	-	1,000	-
Unearned Revenues	1,425,327	-	89,494	404,148
TOTAL LIABILITIES	2,916,146	104,289	267,874	3,983,866
FUND BALANCES				
Nonspendable				
Prepaid Expenditures	-	-	8,400	-
Inventory	-	-	-	-
Deposits	19,500	20,602	-	-
Restricted for:				
Emergencies	639,800	-	-	-
Roads and Bridges	-	846,903	-	-
Conservation Trust	-	-	-	-
Lodging Tax	-	-	-	-
Human Services	-	-	130,248	-
Capital Projects / Purchases	-	-	-	-
Committed to:				
Housing	-	-	-	-
Airport	-	-	-	-
Blood Lead Monitoring	-	-	-	-
Landfill	-	-	-	-
Sheriff Commissary	-	-	-	-
Mineral Belt Trail	-	-	-	-
Get Outdoors Leadville! Program	-	-	-	-
Mine Closure	-	-	-	-
Community Park Replacement	826,491	-	-	-
Contingencies	2,093,645	-	-	-
Unassigned	14,498,142	(20,602)	-	(3,144,732)
TOTAL FUND BALANCES	18,077,578	846,903	138,648	(3,144,732)
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,993,724	\$ 951,192	\$ 406,522	\$ 839,134

The accompanying notes are an integral part of the financial statements.

	MINE CLOSURE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
\$	3,370,991	\$ 3,816,014	\$ 25,061,741
	-	148,994	967,656
	-	40,927	1,010,358
	-	-	3,479,241
	-	8,400	16,800
	-	37,697	37,697
	-	-	40,102
	<u>3,370,991</u>	<u>4,052,032</u>	<u>30,613,595</u>
	-	78,501	856,881
	-	-	154,776
	-	70,617	490,780
	-	57,282	639,784
	-	62,856	3,479,241
	-	-	1,000
	-	89,556	2,008,525
	<u>-</u>	<u>358,812</u>	<u>7,630,987</u>
	-	8,400	16,800
	-	37,697	37,697
	-	-	40,102
	-	-	639,800
	-	-	846,903
	-	439,245	439,245
	-	135,796	135,796
	-	-	130,248
	-	761,404	761,404
	-	470	470
	-	86,306	86,306
	-	28,311	28,311
	-	2,148,861	2,148,861
	-	6,499	6,499
	-	98,129	98,129
	-	21,560	21,560
	3,370,991	-	3,370,991
	-	-	826,491
	-	-	2,093,645
	<u>-</u>	<u>(79,458)</u>	<u>11,253,350</u>
	<u>3,370,991</u>	<u>3,693,220</u>	<u>22,982,608</u>
\$	<u>3,370,991</u>	<u>\$ 4,052,032</u>	<u>\$ 30,613,595</u>

The accompanying notes are an integral part of the financial statements.

LAKE COUNTY, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total Fund Balances of Governmental Funds	\$	22,982,608
Capital assets and lease right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		37,024,745
Internal Service Funds are blended into Governmental Activities		301,328
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Leases Payable		(2,777,949)
Financed Purchases		(491,989)
Accrued Landfill Closure / Post-Closure		(2,708,011)
Notes Payable		-
Accrued Interest Payable		-
Accrued Compensated Absences		(382,336)
		(382,336)
Total Net Position of Governmental Activities	\$	53,948,396

LAKE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	<u>GENERAL</u>	<u>ROAD AND BRIDGE</u>	<u>HUMAN SERVICES</u>	<u>GRANTS</u>
REVENUES				
Taxes	\$ 16,155,046	\$ 639,429	\$ 97	\$ -
Licenses and Permits	244,801	21,570	-	-
Intergovernmental	1,831,742	1,379,167	1,972,529	2,009,000
Charges for Services	1,556,880	10,837	-	-
Contributions	-	-	-	-
Lottery Funds	-	-	-	-
Investment Income	1,099,290	-	-	-
Miscellaneous	184,512	22,909	29,650	12,773
TOTAL REVENUES	<u>21,072,271</u>	<u>2,073,912</u>	<u>2,002,276</u>	<u>2,021,773</u>
EXPENDITURES				
General Government	8,551,142	-	-	76,407
Health and Welfare	-	-	3,322,802	701,753
Public Safety	4,866,731	-	-	1,615,857
Culture and Recreation	1,159,085	-	-	888,458
Economic Development	282,549	-	-	-
Public Works	-	1,541,938	-	9,046
Capital Outlay	-	998,604	-	-
Debt Service				
Principal	93,404	-	19,764	-
Interest	5,195	-	13,837	-
TOTAL EXPENDITURES	<u>14,958,106</u>	<u>2,540,542</u>	<u>3,356,403</u>	<u>3,291,521</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,114,165</u>	<u>(466,630)</u>	<u>(1,354,127)</u>	<u>(1,269,748)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	33,099	-	-
Lease Proceeds	-	-	1,034,111	-
Transfers In	-	-	-	220,104
Transfers Out	(472,134)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(472,134)</u>	<u>33,099</u>	<u>1,034,111</u>	<u>220,104</u>
CHANGE IN FUND BALANCES	5,642,031	(433,531)	(320,016)	(1,049,644)
FUND BALANCES, Beginning, as Restated	<u>12,435,547</u>	<u>1,280,434</u>	<u>458,664</u>	<u>(2,095,088)</u>
FUND BALANCES, Ending	<u>\$ 18,077,578</u>	<u>\$ 846,903</u>	<u>\$ 138,648</u>	<u>\$ (3,144,732)</u>

The accompanying notes are an integral part of the financial statements.

MINE CLOSURE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
\$ 154,349	\$ 1,358,256	\$ 18,307,177
-	32,463	298,834
-	604,284	7,796,722
-	1,421,001	2,988,718
-	25,809	25,809
-	63,943	63,943
-	-	1,099,290
-	157,016	406,860
<u>154,349</u>	<u>3,662,772</u>	<u>30,987,353</u>
-	641,978	9,269,527
-	2,763,886	6,788,441
-	825,954	7,308,542
-	103,475	2,151,018
-	425,673	708,222
-	-	1,550,984
-	508,081	1,506,685
-	267,018	380,186
-	66,609	85,641
<u>-</u>	<u>5,602,674</u>	<u>29,749,246</u>
<u>154,349</u>	<u>(1,939,902)</u>	<u>1,238,107</u>
-	-	33,099
-	1,487,392	2,521,503
-	252,030	472,134
-	-	(472,134)
<u>-</u>	<u>1,739,422</u>	<u>2,554,602</u>
154,349	(200,480)	3,792,709
<u>3,216,642</u>	<u>3,893,700</u>	<u>19,189,899</u>
<u>\$ 3,370,991</u>	<u>\$ 3,693,220</u>	<u>\$ 22,982,608</u>

The accompanying notes are an integral part of the financial statements.

LAKE COUNTY, COLORADO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023**

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Net Change in Fund Balances of Governmental Funds	\$	3,792,709
Governmental funds report capital outlays and leases as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as:		
Depreciation Expense		(1,592,210)
Amortization Expense		(277,374)
Capital Outlay		6,953,455
Disposal of Capital Assets		(626,803)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the effect of these differences in the treatment of long-term debt and related items, including lease payable proceeds.		
		(2,521,503)
The repayment of long-term debt principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		
		380,186
Internal Services Funds are blended into Governmental Activities		140,852
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the changes in the following:		
Landfill Closure / Post-Closure Liability		(899,401)
Other Accruals		97,232
Accrued Compensated Absences		<u>(53,547)</u>
Change in Net Position of Governmental Activities	\$	<u><u>5,393,596</u></u>

LAKE COUNTY, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2023

	<u>GOVERNMENTAL ACTIVITIES</u> <u>INTERNAL SERVICE FUND</u>
ASSETS	
Cash and Cash Equivalents	\$ 9,295
Accounts Receivable	650,413
Deposit	<u>10,000</u>
 TOTAL ASSETS	 <u>669,708</u>
 LIABILITIES	
Accounts Payable	3,871
Interfund Payables	<u>364,509</u>
 TOTAL LIABILITIES	 <u>368,380</u>
 NET POSITION	
Unrestricted	<u>301,328</u>
 TOTAL NET POSITION	 <u>\$ 301,328</u>

LAKE COUNTY, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2023

	<u>GOVERNMENTAL ACTIVITIES</u> <u>INTERNAL</u> <u>SERVICE FUND</u>
OPERATING REVENUES	
Contributions	\$ 1,676,214
Claims Reimbursement	<u>5,608</u>
TOTAL OPERATING REVENUES	<u>1,681,822</u>
OPERATING EXPENSES	
Insurance Premiums and Payments	2,581,620
Claims	<u>11,120</u>
TOTAL OPERATING EXPENSES	<u>2,592,740</u>
NET OPERATING INCOME (LOSS)	<u>(910,918)</u>
NONOPERATING REVENUES (EXPENSES)	
Property Taxes	<u>1,051,770</u>
CHANGE IN NET POSITION	140,852
NET POSITION, Beginning	<u>160,476</u>
NET POSITION, Ending	<u>\$ 301,328</u>

LAKE COUNTY, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2023

	<u>GOVERNMENTAL ACTIVITIES</u> <u>INTERNAL SERVICE FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Claim Reimbursements	\$ 5,608
Cash Received from Premiums	1,015,801
Cash Payments to Vendors and Suppliers	<u>(2,618,024)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,596,615)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Property Taxes	1,647,390
Net Transfers from (to) Other Funds	<u>(41,480)</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,605,910</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,295
CASH AND CASH EQUIVALENTS, Beginning	<u>-</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 9,295</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS)	
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Net Operating Income (Loss)	\$ (910,918)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in Assets and Liabilities:	
Accounts Receivable	(650,413)
Deposits	(10,000)
Prepaid Expenses	9,817
Accounts Payable	<u>(35,101)</u>
Total Adjustments	<u>(685,697)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (1,596,615)</u></u>

LAKE COUNTY, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2023

	CUSTODIAL FUNDS				TOTAL FIDUCIARY FUNDS
	COUNTY TREASURER	COUNTY CLERK AND RECORDER	SHERIFF INMATE	PUBLIC TRUSTEE	
ASSETS					
Cash and Cash Equivalents	\$ 324,955	\$ -	\$ 2,480	\$ 5,683	\$ 333,118
LIABILITIES					
Due To Other Governments	324,955	-	-	-	324,955
NET POSITION					
Restricted for Individuals, Organizations, and Other Governments	<u>-</u>	<u>-</u>	<u>2,480</u>	<u>5,683</u>	<u>8,163</u>

LAKE COUNTY, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2023

	CUSTODIAL FUNDS				TOTAL FIDUCIARY FUNDS
	COUNTY TREASURER	COUNTY CLERK AND RECORDER	SHERIFF INMATE	PUBLIC TRUSTEE	
ADDITIONS					
Taxes and Fees Collected for Other Governments	\$ 18,986,876	\$ 2,448,617	\$ -	\$ -	\$ 21,435,493
Fines and Fees Collected for Other Governments	-	-	54,378	331,387	385,765
TOTAL ADDITIONS	<u>18,986,876</u>	<u>2,448,617</u>	<u>54,378</u>	<u>331,387</u>	<u>21,821,258</u>
DEDUCTIONS					
Taxes and Fees Disbursed to Other Governments	19,048,680	2,448,617	-	-	21,497,297
Fines and Fees Disbursed to Others	-	-	51,898	325,704	377,602
TOTAL DEDUCTIONS	<u>19,048,680</u>	<u>2,448,617</u>	<u>51,898</u>	<u>325,704</u>	<u>21,874,899</u>
CHANGE IN NET POSITION	(61,804)	-	2,480	5,683	(53,641)
NET POSITION, Beginning	<u>61,804</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,804</u>
NET POSITION, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,480</u>	<u>\$ 5,683</u>	<u>\$ 8,163</u>

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: Summary of Significant Accounting Policies

Lake County (the County) was created by an act of legislature in 1861 and is governed by applicable Colorado Statutes. The County is managed by three Commissioners and provides the following services: public safety, highways and roads, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, tax and license assessments and collections, and general administrative services.

The accounting policies of the County conform to generally accepted accounting principles applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the County's significant policies.

Reporting Entity

The financial reporting entity consists of the County, organizations for which the County is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the County. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the County. Legally separate organizations for which the County is financially accountable are considered part of the reporting entity. Financial accountability exists if the County appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the County.

The County Operates the Lake County Emergency Telephone Service Authority (the Authority). The Authority was established for the purpose of providing 911 emergency phone services for the County. The Authority is a legally separate entity, governed by a five-member board. The Authority Board is appointed by the County Commissioners. The Authority is reported as a discretely presented component unit in the County's financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the County and its component unit. For the most part, the effect of interfund activity has been removed from these financial statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds, proprietary funds, and fiduciary funds identified by management are reported as separate columns in the fund financial statements.

In the fund financial statements, the County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The *Road and Bridge Fund* is used to account for road and bridge construction, maintenance, and administration, as established under state statutes, and includes revenues from specific ownership tax, highway user tax, and payments in lieu of taxes (PILT).

The *Human Services Fund* is used to account for the program and administrative management of human services. Financing is primarily provided by federal and state grants.

The *Grants Fund* is used to account for revenues and expenditures from federal, state, and local grants awarded to the County.

The *Mine Closure Fund* is used to account for revenues and expenditures related to the closure of the Climax Mine and for sustaining county activities after the valuation of the county declines, as established by the voters in 2011, which is financed by the collection of property taxes.

Additionally, the County reports the following fund types:

The *Internal Service Fund* is used to account for the set-aside of the County's casualty, property pool, and liability insurance. Revenues are derived from annual property taxes collected in the fund.

The *Fiduciary Funds* account for Custodial Fund assets held by the County in a custodial capacity or as an agent on behalf of others. *Fiduciary Funds* are accounted for using the accrual basis of accounting. The County's Custodial Funds include the Treasurer's Office, the Clerk and Recorder's Office, the Public Trustee, and the Sheriff – Jail Inmate.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, grants, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered to be measurable and available only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers or other funds for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for a specific use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position

Cash and Investments – Cash and investments of each of the County’s funds are pooled and invested by the County into liquid investment with maturities of three months or less. Investments are reported at fair value. For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less.

Receivables – Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied in the current year for collection in the subsequent year are recorded as receivables and deferred inflows of resources at year end. Taxes are due in the subsequent year on April 30, or in two installments on February 28 and June 15. Taxes are collected by the County Treasurer and remitted to the County on a monthly basis. Grant reimbursements not received before year-end for which eligibility has been met and expenditures have been incurred are reported as grants receivable. In 2023, taxes levied for 2024 that are normally certified in December 2023, but were certified in January 2024, as a result of Colorado Proposition HH, Property Tax Changes and Revenue Change Measure, which failed.

Prepaid Expenditures – Certain payments to vendors reflect costs applicable to future years and reported as prepaid expenditures or prepaid expenses.

Inventories – Inventories are stated at cost on a lower average cost or market. The costs of inventories are recorded as expenditures or expenses when consumed rather than when purchased.

Capital Assets - Capital assets include property, equipment, and infrastructure. These are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. They are also reported in the proprietary funds in the fund financial statements.

Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings	3 – 40 years
Infrastructure	3 – 40 years
Improvements	5 – 10 years
Equipment	3 – 5 years

Deferred Inflows of Resources – This separate financial statement element represents an acquisition of net assets by the County that is applicable to a future reporting period. Deferred inflows of resources in the governmental fund financial statements include property taxes earned but not available as current financial resources.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations, including financed purchases, are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (Continued)

Leases – The County determines if an arrangement is a lease at inception. For leasing arrangements where the County is the lessee, leases are reported as right-to-use assets and noncurrent liabilities in the statement of net position.

Lease assets represent the County’s control of the right-to-use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease assets are recognized at the commencement date on the initial measurement of the lease liabilities, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Leased assets are defined by the County as assets with an initial, individual cost of more than \$5,000.

Lease liabilities represent the County’s obligation to make payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

For individual lease contracts where information about the discount rate implicit in the lease is not included, the County has elected to use the incremental borrowing rate to calculate the present value of expected lease payments.

Compensated Absences – Employees accrue paid vacation leave based on the number of hours worked in a year up to a maximum balance varies based on years of continuous employment. Employees also accrue paid personal leave allocated on January 1st of each year up to a maximum of 24 hours. Both accumulated leave benefits are paid upon separation/termination at their current pay rate. A long-term liability is reported in the government-wide financial statements for the accrued compensated absences when earned. Governmental funds recognize a liability only when payment is due.

Net Position/Fund Balances - In the government-wide financial statements, net position is restricted when constraints placed on the use of resources are externally imposed. Governmental fund balances are classified as restricted when constraints are placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Committed fund balances include resources which are subject to limitations the County imposes on itself by action of County Council through ordinances. Committed fund balances also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Commitments may be established, modified, or rescinded only through ordinances approved by the Board of County Commissioners. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of County Commissioners has provided otherwise in its commitment or assignment actions.

Property Taxes

Property taxes normally attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. The County Treasurer’s Office collects property taxes and remits to the County on a monthly basis. When taxes become delinquent, the property is sold on the tax sale date.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 2: Cash and Investments

At December 31, 2023, the County had the following cash and cash equivalents:

Petty Cash	\$ 1,105
Deposits	4,142,347
Investments	21,757,711
Total	\$ 25,901,163

At December 31, 2023, cash and investments are reported in the financial statements as follows:

Primary Government	\$ 25,071,036
Fiduciary	333,118
Discretely Presented Component Unit - 911 Authority	497,009
Total	\$ 25,901,163

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2023, the County had bank deposits of \$3,037,532 collateralized with securities held by the financial institution’s agent but not in the County’s name.

Investments

The County is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers’ acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

At December 31, 2023, the County had the following investments:

Investment Type	Rating	Fair Value	Investment Maturity		Percentage of Investments	Fair Value Hierarchy
			Less Than One Year	1-5 Years		
Certificates of Deposit (Negotiable)	Not Rated	\$ 3,658,235	\$ 485,308	\$ 3,172,927	17%	Level 2
U.S. Agency Securities	AA+	4,692,830	-	4,692,830	22%	Level 2
U.S. Agency Securities	AAA	232,777	-	232,777	1%	Level 2
U.S. Treasury Notes	AAA	296,811	296,811	-	1%	Level 2
Local Government Pools	AAAm	12,877,058	12,877,058	-	59%	NAV
Total Investments		\$ 21,757,711	\$ 13,659,177	\$ 8,098,534	100%	

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 2: Cash and Investments (Continued)

Investments (Continued)

Fair Value Measurements - At December 31, 2023, the County's investments in the local government investment pool reported at the net asset value per share.

The fair value measurements are categorized by the fair value hierarchy. Valuation inputs are used to measure the fair value of the asset to determine the appropriate category. The categories range from Level 1, which is the highest priority, to Level 3, which is the lower priority and are based on the following criteria:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in the active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are observable.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Securities and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations (NRSROs).

Concentration of Credit Risk - State statutes do not limit the amount the County may invest in a single issuer of investment securities, except for corporate securities.

Local Government Investment Pool - At December 31, 2023, the County had \$8,493,755 and \$4,383,303 invested in the Colorado Local Government Liquid Asset Trust Plus (ColoTrust) and the Colorado Surplus Asset Fund Trust (CSAFE) (the Pools), respectively. The Pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Pools. The Pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The Pools are measured at the net asset value per share, with each share valued at \$1. The Pools are rated AAAM by Standard and Poor's. Investments of the Pools is limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

NOTE 3: Interfund Balances and Transfers

At December 31, 2023, the General Fund temporarily subsidized the operations of the Grants Fund and Ambulance Fund in the amount of \$3,416,385 and \$62,856, respectively.

Transfers between funds during the year ended December 31, 2023, consisted of the following:

Transfers In	Transfers Out	Amount
Landfill Closure Fund	General Fund	\$ 70,000
Airport Fund	General Fund	82,030
Public Health Fund	General Fund	100,000
Grants Fund	General Fund	220,104
Total		<u>\$ 472,134</u>

The General Fund transferred \$472,134 to the Airport Fund, Public Health Fund, and Grants Fund to subsidize general operating expenses.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 4: Capital Assets

Capital asset activity for the year ended December 31, 2023, is summarized below:

	Balances 12/31/2022, As Restated	Additions	Deletions	Transfers	Balances 12/31/2023
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 5,002,042	\$ 721,335	\$ -	\$ -	\$ 5,723,377
Land Improvements	3,288,072	-	-	-	3,288,072
Construction in Progress	1,373,832	1,238,445	(626,803)	(660,298)	1,325,176
Total Capital Assets, Not Being Depreciated	<u>9,663,946</u>	<u>1,959,780</u>	<u>(626,803)</u>	<u>(660,298)</u>	<u>10,336,625</u>
Capital Assets, Being Depreciated / Amortized:					
Buildings	10,785,487	876,883	-	660,298	12,322,668
Improvements	10,910,513	221,157	-	-	11,131,670
Infrastructure	3,657,776	146,634	-	-	3,804,410
Machinery and Equipment	10,540,481	-	-	-	10,540,481
Vehicles	2,582,536	1,159,677	-	-	3,742,213
Right-to-Use Lease Asset	686,361	2,589,324	-	-	3,275,685
Total Capital Assets, Being Depreciated / Amortized	<u>39,163,154</u>	<u>4,993,675</u>	<u>-</u>	<u>660,298</u>	<u>44,817,127</u>
Less Accumulated Depreciation / Amortization:					
Buildings	(4,311,761)	(271,820)	-	-	(4,583,581)
Improvements	(2,509,541)	(283,240)	-	-	(2,792,781)
Infrastructure	(970,626)	(120,598)	-	-	(1,091,224)
Machinery and Equipment	(6,438,477)	(538,628)	-	-	(6,977,105)
Vehicles	(1,849,141)	(377,924)	-	-	(2,227,065)
Right-to-Use Lease Assets	(179,877)	(277,374)	-	-	(457,251)
Total Accumulated Depreciation / Amortization	<u>(16,259,423)</u>	<u>(1,869,584)</u>	<u>-</u>	<u>-</u>	<u>(18,129,007)</u>
Total Capital Assets, Being Depreciated / Amortized, Net	<u>22,903,731</u>	<u>3,124,091</u>	<u>-</u>	<u>660,298</u>	<u>26,688,120</u>
Governmental Activities, Capital Assets, Net	<u>\$ 32,567,677</u>	<u>\$ 5,083,871</u>	<u>\$ (626,803)</u>	<u>\$ -</u>	<u>\$ 37,024,745</u>
General Government					\$ 580,400
Public Safety					162,792
Health and Welfare					183,027
Culture and Recreation					516,354
Public Works					427,011
Total					<u>\$ 1,869,584</u>

NOTE 5: Long-Term Debt

Following is a summary of long-term debt transactions for the year ended December 31, 2023.

	Restated Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023	Due in One Year
Governmental Activities					
Leases Payable	\$ 494,035	\$ 2,521,503	\$ 237,589	\$ 2,777,949	\$ 322,823
Financed Purchases	634,587	-	142,598	491,989	150,579
Compensated Absences	328,789	365,777	312,230	382,336	-
Total Long-Term Debt	<u>\$ 1,457,411</u>	<u>\$ 2,887,280</u>	<u>\$ 692,417</u>	<u>\$ 3,652,274</u>	<u>\$ 473,402</u>

Compensated absences of the County are expected to be liquidated primarily with revenues of the General Fund.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: Long-Term Debt (Continued)

Financed Purchase

In July 2015, the County entered into a 15-year financed purchase obligation with Alpine Bank to purchase solar panels valued at \$735,000. Payments are made monthly in the amount of \$6,128 beginning in June 2023, through May 2030, with an interest rate of 5.75% per annum. The solar panels have an estimated useful life of 20 years. At December 31, 2023, the solar panels had a net book value of \$413,777, with depreciation expense of \$36,780 in 2023.

In 2020, the County entered into a four-year financed purchase obligation with Ford Motor Credit for nine Sheriff vehicles valued at \$454,194. Payments are made annually in the amount of \$103,794 beginning in November 2020, through November 2024, with an interest rate of 5.39% per annum. The vehicles have an estimated useful life of five years. At December 31, 2023, the vehicles had a net book value of \$170,158, with depreciation expense of \$92,814 in 2023.

Financed purchase payments to maturity are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 150,578	\$ 26,869	\$ 177,447
2025	55,212	18,441	73,653
2026	58,518	15,135	73,653
2027	62,022	11,631	73,653
2028	65,736	7,917	73,653
2029-2030	99,923	4,422	104,345
Total	<u>\$ 491,989</u>	<u>\$ 84,415</u>	<u>\$ 576,404</u>

Leases Payable

The County entered into a master equity lease agreement (lease agreement) with Enterprise FM Trust for the lease of vehicles. The County agreed to pay monthly rental and other payments for the use of vehicles based on the terms of the lease and return the vehicles at the end of the lease term. The County leased seventeen vehicles with an asset value of \$744,744, with a total outstanding lease payable at December 31, 2023, in the amount of \$640,088. Payments are made monthly ranging from \$546 to \$1,647 beginning in January 2022, through October 2028, with comparable incremental borrowing rates ranging between 2.82% and 5.4% per annum. The seventeen vehicles have an estimated cost ranging between \$31,254 and \$119,129 with an estimated useful life of 60 months from the date of delivery. At December 31, 2023, the vehicles had a net book value of \$699,901, with a total amortization expense of \$126,034 in 2023.

In 2023, the County entered into a twelve-year lease agreement with Rocky Mountain Family Practice of Leadville, PC, for the lease of a building for the operation of a health care medical facility. The building lease is valued at \$2,068,222, with an outstanding lease payable at December 31, 2023, in the amount of \$2,028,695. Payments are made monthly in the amount of \$16,800 beginning in September 2023, through August 2035 with an interest rate of 5.43% per annum. The payment amount increases 3% annually. The building has a useful life of 12 years. At December 31, 2023, the building had a net book value of \$2,010,771, with total amortization expense of \$57,451 in 2023.

In 2022, the County entered into a three-year lease agreement with David and Jane Horning for the lease of a building used by the Lake County Probation Department. The building lease is valued at \$100,691, with an outstanding lease payable at December 31, 2023, in the amount of \$34,332. Payments are made monthly in the amount of \$2,900 beginning in January 2022, through December 2024 with an interest rate of 2.5% per annum. The building has a useful life of three years. At December 31, 2023, the building had a net book value of \$34,201, with total amortization expense of \$34,021 in 2023.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: Long-Term Debt (Continued)

Leases Payable (Continued)

In 2022, the County entered into a 63 month lease agreement with De Lage Landen Financial Services, Inc. for the lease of office equipment valued at \$53,090, with an outstanding lease payable at December 31, 2023, in the amount of \$36,086. Payments are made monthly in the amount of \$967 beginning in March 2022, through May 2027 with an interest rate of 5.45% per annum. The equipment has an estimated useful life of 63 months. At December 31, 2023, the equipment had a net book value of \$34,551, with total amortization expense of \$10,112 in 2023.

In 2020, the County entered a four-year lease agreement with Great America Financial Services for the lease of IT equipment valued at \$199,025, with an outstanding lease payable at December 31, 2023, in the amount of \$38,748. Payments are made monthly in the amount of \$4,350 beginning in October 2020, through October 2024, with an interest rate of 2.47% per annum. The equipment had an estimated useful life of 48 months. At December 31, 2023, the equipment had a net book value of \$39,190, with total amortization expense of \$49,756 in 2023.

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 322,823	\$ 135,610	\$ 458,433
2025	268,523	121,966	390,489
2026	288,194	108,502	396,696
2027	274,880	94,380	369,260
2028	197,612	82,326	279,938
2029-2033	987,493	261,304	1,248,797
2034-2035	438,424	19,304	457,728
Total	<u>\$ 2,777,949</u>	<u>\$ 823,392</u>	<u>\$ 3,601,341</u>

NOTE 6: Landfill Closure and Post-Closure Liability

The County operates and maintains a landfill. Federal and state regulations require the County to place a final cover and perform certain maintenance and monitoring functions at the site for no less than 39 years after closure. The County reports a portion of the closure and post-closure costs as an operating expense annually based on landfill capacity used. As of December 31, 2023, the County reported a \$2,708,011 liability as future landfill closure and post-closure, which represents the cumulative costs with an inflation factor on the use of the 60% of the estimated capacity of the landfill. Actual costs may be higher due to inflation, various economic factors, changes in technology, or changes in regulations.

The State of Colorado “Regulations Pertaining to Solid Waste Disposal Facilities, 6 CCR 1007-2” require owners or operators of any solid waste disposal site/facility maintain in written documented form current cost estimates for hiring a third party to close such site and to conduct post-closure care. The County uses the “Local Government Financial Test” as its financial mechanism to financially assure full payment of all closure, post-closure, and if applicable, corrective action estimated costs.

The County makes annual contributions to finance closure and post-closure care costs. At December 31, 2023, cash and investments of \$2,148,861 are held by the Landfill Fund for these purposes.

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: Risk Management

Colorado Intergovernmental Risk Sharing Agency

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the County participates in Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate independent governmental entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at a reasonable cost. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the County does not approve budgets nor does it have the ability to significantly affect the operations of CIRSA.

NOTE 8: Employee Retirement Plans

Defined Contribution Plan

The County provides pension benefits for substantially all full-time employees through a defined contribution plan of the Colorado Retirement Association. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. One year of service is required prior to participation in the Colorado Retirement Association Plan.

Employees contribute 3% of their salary to the plan with an equal amount contributed by the County. Vesting occurs at the rate of 20% per year. County contributions for, and earnings forfeited by, employees who leave employment before fully vesting are returned to the County. At December 31, 2023, the employer contributions were \$484,672. The County had no outstanding liability for this plan at year end. The County commissioners authorize the benefit terms and have the authority to amend these terms.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

In 2001, the County adopted an amendment to its Deferred Compensation Plan with Colorado Retirement Association. The adoption of the amendment was due to recent changes in the Internal Revenue Code. Specifically, the amendment states that all amounts deferred under this plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights shall, until made available to the participant or beneficiary, be held in the Colorado Retirement Association Deferred Compensation Plan Trust for the exclusive benefit of participants and their beneficiaries. Colorado Retirement Association is trustee of the trust. Eligible voluntary employee contributions were \$200,282 for 2023.

NOTE 9: Contraband Forfeitures

The Colorado Contraband Forfeiture Act allows law enforcement agencies to retain proceeds from the seizure of contraband. Proceeds are recorded with

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 10: Commitments and Contingencies

Claims and Judgments

The County participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. At December 31, 2023, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the County.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. The County is subject to the Amendment.

On April 5, 1994, the registered voters approved a ballot resolution authorizing the County to accept, retain, and spend, for use as the Board of County Commissioners deem appropriate, the full revenues received from any and all grants awarded to the County.

The Amendment requires the County to establish a reserve for emergencies, representing 3% of qualifying expenditures. At December 31, 2023, the County's emergency reserve was reported as restricted fund balance in the General Fund in the amount of \$639,800 and 911 Authority in the amount of \$6,353.

Litigation

The County from time to time is involved in various legal matters. In the opinion of the County's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the County.

in the Grant fund and are used for drug enforcement activities.

NOTE 11: Subsequent Event

On December 6, 2024, the County approved a resolution to issue Certificates of Participation to finance the renovation of the Lake County Government Jail and Courthouse in the amount of \$12 million.

NOTE 12: Correction of Errors (Restatements)

The County made a correction of errors to the fund balances of various fund and the net position of governmental activities at December 31, 2022. The prior period corrections were made to:

- Correct cash and investments reporting
- Accrue December 2022 sales tax collections in the proper fiscal year
- Correct reporting of Federal grant revenue that has not met eligibility as unearned revenue
- Remove uncollectible grants receivable in the prior year
- Record contributions as revenues
- Correct capital asset reporting
- Record lease payable to implement GASB Statement No. 87, *Leases*

LAKE COUNTY, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 12: Correction of Errors (Restatements) (Continued)

The impact of the restatements as of December 31, 2022, on financial statements is identified as follows:

	General Fund	Grants Fund	Total Governmental Funds	Governmental Activities
Net Position/Fund Balance, Beginning, as Originally Stated	\$ 15,468,636	\$ -	\$ 24,318,076	\$ 53,660,769
Cash and Investments	(1,210,714)	-	(1,210,714)	(1,210,714)
Sales Taxes Revenue	409,120	-	409,120	409,120
Unearned Revenue	(1,851,495)	-	(1,851,495)	(1,851,495)
Grants Receivable	-	(2,095,088)	(2,095,088)	(2,095,088)
Accounts Receivable	(380,000)	-	(380,000)	(380,000)
Capital Assets, Net of Depreciation / Amortization	-	-	-	248,945
Leases Payable	-	-	-	(226,737)
Net Position/Fund Balance, Beginning, as Restated	<u>\$ 12,435,547</u>	<u>\$ (2,095,088)</u>	<u>\$ 19,189,899</u>	<u>\$ 48,554,800</u>

REQUIRED SUPPLEMENTARY INFORMATION

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Taxes	\$ 14,149,569	\$ 14,851,556	\$ 16,155,046	\$ 1,303,490
Licenses and Permits	270,950	284,599	244,801	(39,798)
Intergovernmental	277,620	947,696	1,831,742	884,046
Charges for Services	1,287,135	2,030,970	1,556,880	(474,090)
Investment Income	200,000	687,671	1,099,290	411,619
Miscellaneous	34,050	34,050	184,512	150,462
TOTAL REVENUES	16,219,324	18,836,542	21,072,271	2,235,729
EXPENDITURES				
General Government	10,846,096	12,877,498	8,551,142	4,326,356
Public Safety	4,569,071	5,358,272	4,866,731	491,541
Culture and Recreation	1,946,194	1,994,740	1,159,085	835,655
Economic Development	243,500	264,422	282,549	(18,127)
Debt Service				-
Principal	-	-	93,404	(93,404)
Interest	-	-	5,195	(5,195)
TOTAL EXPENDITURES	17,604,861	20,494,932	14,958,106	5,536,826
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,385,537)	(1,658,390)	6,114,165	7,772,555
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	5,000	5,000	-	(5,000)
Transfers Out	(277,530)	(277,530)	(472,134)	(194,604)
TOTAL OTHER FINANCING SOURCES (USES)	(272,530)	(272,530)	(472,134)	(194,604)
CHANGE IN FUND BALANCE	(1,658,067)	(1,930,920)	5,642,031	7,577,951
FUND BALANCE, Beginning, as Restated	16,647,790	14,257,922	12,435,547	(4,212,243)
FUND BALANCE, Ending	<u>\$ 14,989,723</u>	<u>\$ 12,327,002</u>	<u>\$ 18,077,578</u>	<u>\$ 3,365,708</u>

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE FUND
Year Ended December 31, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Taxes	\$ 450,000	\$ 502,700	\$ 639,429	\$ 136,729
Licenses and Permits	27,000	27,000	21,570	(5,430)
Intergovernmental	1,225,000	1,341,799	1,379,167	37,368
Charges for Services	-	-	10,837	10,837
Miscellaneous	5,000	45,118	22,909	(22,209)
TOTAL REVENUES	1,707,000	1,916,617	2,073,912	157,295
EXPENDITURES				
Public Works	1,799,464	1,963,816	1,541,938	421,878
Capital Outlay	684,951	1,097,639	998,604	99,035
TOTAL EXPENDITURES	2,484,415	3,061,455	2,540,542	520,913
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(777,415)	(1,144,838)	(466,630)	678,208
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	10,000	10,000	33,099	(23,099)
CHANGE IN FUND BALANCE	(767,415)	(1,134,838)	(433,531)	655,109
FUND BALANCE, Beginning	1,484,072	1,280,434	1,280,434	-
FUND BALANCE, Ending	\$ 716,657	\$ 145,596	\$ 846,903	\$ 701,307

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES FUND
Year Ended December 31, 2023

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		Positive (Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ 97	\$ 97
Intergovernmental	3,440,669	3,488,584	1,972,529	(1,516,055)
Miscellaneous	<u>12,435</u>	<u>1,313,711</u>	<u>29,650</u>	<u>(1,284,061)</u>
TOTAL REVENUES	<u>3,453,104</u>	<u>4,802,295</u>	<u>2,002,276</u>	<u>(2,800,019)</u>
EXPENDITURES				
Health and Welfare	3,454,253	5,149,035	3,322,802	1,826,233
Debt Service				
Principal	-	-	19,764	(19,764)
Interest	<u>-</u>	<u>-</u>	<u>13,837</u>	<u>(13,837)</u>
TOTAL EXPENDITURES	<u>3,454,253</u>	<u>5,149,035</u>	<u>3,356,403</u>	<u>1,792,632</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,149)</u>	<u>(346,740)</u>	<u>(1,354,127)</u>	<u>(1,007,387)</u>
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	<u>-</u>	<u>-</u>	<u>1,034,111</u>	<u>1,034,111</u>
CHANGE IN FUND BALANCE	<u>(1,149)</u>	<u>(346,740)</u>	<u>(320,016)</u>	<u>26,724</u>
FUND BALANCE, Beginning	<u>411,490</u>	<u>458,664</u>	<u>458,664</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 410,341</u>	<u>\$ 111,924</u>	<u>\$ 138,648</u>	<u>\$ 26,724</u>

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
GRANTS FUND
Year Ended December 31, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Intergovernmental	\$ 3,000,000	\$ 3,000,000	\$ 2,009,000	\$ (991,000)
Miscellaneous	-	-	12,773	12,773
TOTAL REVENUES	3,000,000	3,000,000	2,021,773	(978,227)
EXPENDITURES				
General Government	1,875,911	1,875,911	76,407	1,799,504
Public Safety	301,823	301,823	1,615,857	(1,314,034)
Public Works	-	-	9,046	(9,046)
Health and Welfare	-	-	701,753	(701,753)
Culture and Recreation	822,266	822,266	888,458	(66,192)
TOTAL EXPENDITURES	3,000,000	3,000,000	3,291,521	(291,521)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,269,748)	(1,269,748)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	220,104	220,104
CHANGE IN FUND BALANCE	-	-	(1,049,644)	(1,049,644)
FUND BALANCE, Beginning	-	-	(2,095,088)	(2,095,088)
FUND BALANCE, Ending	\$ -	\$ -	\$ (3,144,732)	\$ (3,144,732)

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
MINE CLOSURE FUND
Year Ended December 31, 2023

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		Positive (Negative)
REVENUES				
Taxes	\$ 154,703	\$ 154,703	\$ 154,349	\$ (354)
CHANGE IN FUND BALANCE	<u>154,703</u>	<u>154,703</u>	<u>154,349</u>	<u>(354)</u>
FUND BALANCE, Beginning	<u>3,217,813</u>	<u>3,216,642</u>	<u>3,216,642</u>	<u>-</u>
FUND BALANCE, Ending	<u><u>\$ 3,372,516</u></u>	<u><u>\$ 3,371,345</u></u>	<u><u>\$ 3,370,991</u></u>	<u><u>\$ (354)</u></u>

LAKE COUNTY, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are adopted for all funds on a basis consistent with generally accepted accounting principles. The County adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Prior to September 1, the Finance Manager submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.
- The County Commissioners approve all budget transfers or revisions.
- Budgets are legally adopted for all funds of the County except the Fiduciary Funds. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except for certain interfund transactions that are reported as revenues and expenditures on the budgetary basis but not the GAAP basis of accounting. Budgetary comparisons presented for the Proprietary Funds are presented on a non-GAAP budgetary basis. Debt principal is recognized as an expenditure for budgetary purposes. Capital outlay is budgeted as an expenditure, and depreciation and amortization are not budgeted.
- All budget appropriations lapse at fiscal year-end.

Budget Compliance

At December 31, 2023, the County's Grants Fund, Public Health Fund, Get Outdoors Leadville! Fund, Mineral Belt Trail Fund, Ambulance Service Fund, and Capital Acquisition Fund actual expenditures/expenses exceeded budgeted appropriations by \$291,521, 518,897, \$84,571, \$70, \$25,589, and \$372,636, respectively. In addition, the County's budgeted expenditures exceeded available resources in the Airport Fund by \$190 and Ambulance Fund by \$29,384, respectively. These may be a violation of state statutes.

Accountability

At December 31, 2023, the Grants Fund and Ambulance Fund fund balances were negative by \$3,144,732 and \$62,856, respectively, which exceeded available resources. The County's General Fund temporarily subsidized these funds. This may be a violation of state statutes.

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND
BUDGET COMPARISON SCHEDULES**

LAKE COUNTY, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023

	PUBLIC HEALTH	HOUSING	GET OUTDOORS LEADVILLE!	AIRPORT	BLOOD LEAD MONITORING	LANDFILL	CONSERVATION TRUST
ASSETS							
Cash and Cash Equivalents	\$ 78,337	\$ 1,749	\$ 51,018	\$ 108,349	\$ 37,647	\$ 2,181,216	\$ 439,245
Accounts Receivable	18,234	-	-	-	-	32,637	-
Grants Receivable	40,927	-	-	-	-	-	-
Prepays	8,400	-	-	-	-	-	-
Inventory	-	-	-	37,697	-	-	-
TOTAL ASSETS	145,898	1,749	51,018	146,046	37,647	2,213,853	439,245
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	10,990	1,279	23,014	8,294	485	23,703	-
Accrued Liabilities	33,392	-	6,444	9,372	1,693	15,799	-
Insurance Payable	20,162	-	-	4,377	7,158	25,490	-
Unearned Revenue	89,556	-	-	-	-	-	-
Interfund Payables	-	-	-	-	-	-	-
TOTAL LIABILITIES	154,100	1,279	29,458	22,043	9,336	64,992	-
FUND BALANCES							
Nonspendable							
Prepaid Expenditures	8,400	-	-	-	-	-	-
Inventory	-	-	-	37,697	-	-	-
Restricted for:							
Conservation Trust	-	-	-	-	-	-	439,245
Lodging Tax	-	-	-	-	-	-	-
Capital Projects / Purchases	-	-	-	-	-	-	-
Get Outdoors Leadville! Program	-	-	21,560	-	-	-	-
Committed							
Housing	-	470	-	-	-	-	-
Airport	-	-	-	86,306	-	-	-
Blood Lead Monitoring	-	-	-	-	28,311	-	-
Landfill	-	-	-	-	-	2,148,861	-
Sheriff Commissary	-	-	-	-	-	-	-
Mineral Belt Trail	-	-	-	-	-	-	-
Unassigned	(16,602)	-	-	-	-	-	-
TOTAL FUND BALANCES	(8,202)	470	21,560	124,003	28,311	2,148,861	439,245
TOTAL LIABILITIES AND FUND BALANCES	\$ 145,898	\$ 1,749	\$ 51,018	\$ 146,046	\$ 37,647	\$ 2,213,853	\$ 439,245

LODGING TAX	SHERIFF COMMISSARY	MINERAL BELT TRAIL	AMBULANCE SERVICE	CAPITAL ACQUISITION	TOTAL
\$ 49,252	\$ 6,499	\$ 99,430	\$ -	\$ 763,272	\$ 3,816,014
98,123	-	-	-	-	148,994
-	-	-	-	-	40,927
-	-	-	-	-	8,400
-	-	-	-	-	37,697
<u>147,375</u>	<u>6,499</u>	<u>99,430</u>	<u>-</u>	<u>763,272</u>	<u>4,052,032</u>
7,567	-	1,301	-	1,868	78,501
3,917	-	-	-	-	70,617
95	-	-	-	-	57,282
-	-	-	-	-	89,556
-	-	-	62,856	-	62,856
<u>11,579</u>	<u>-</u>	<u>1,301</u>	<u>62,856</u>	<u>1,868</u>	<u>358,812</u>
-	-	-	-	-	8,400
-	-	-	-	-	37,697
-	-	-	-	-	439,245
135,796	-	-	-	-	135,796
-	-	-	-	761,404	761,404
-	-	-	-	-	21,560
-	-	-	-	-	470
-	-	-	-	-	86,306
-	-	-	-	-	28,311
-	-	-	-	-	2,148,861
-	6,499	-	-	-	6,499
-	-	98,129	-	-	98,129
-	-	-	(62,856)	-	(79,458)
<u>135,796</u>	<u>6,499</u>	<u>98,129</u>	<u>(62,856)</u>	<u>761,404</u>	<u>3,693,220</u>
<u>\$ 147,375</u>	<u>\$ 6,499</u>	<u>\$ 99,430</u>	<u>\$ -</u>	<u>\$ 763,272</u>	<u>\$ 3,130,064</u>

LAKE COUNTY, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	PUBLIC HEALTH	HOUSING	GET OUTDOORS LEADVILLE!	AIRPORT	BLOOD LEAD MONITORING	LANDFILL	CONSERVATION TRUST
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,862	\$ -
Licenses and Permits	32,463	-	-	-	-	-	-
Intergovernmental	439,917	-	107,972	-	-	-	-
Charges for Services	50,124	1,975	-	521,113	-	847,789	-
Contributions	-	-	-	-	2,911	-	-
Lottery Funds	-	-	-	-	-	-	63,943
Miscellaneous	17,238	-	9,893	121,163	1,668	6,956	-
TOTAL REVENUES	539,742	1,975	117,865	642,276	4,579	858,607	63,943
EXPENDITURES							
General Government	-	1,505	-	640,473	-	-	-
Health and Welfare	1,937,237	-	-	-	76,010	750,639	-
Public Safety	-	-	-	-	-	-	-
Culture and Recreation	-	-	96,305	-	-	-	-
Economic Development	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Debt Service							
Principal	19,764	-	-	-	-	-	-
Interest	13,837	-	-	-	-	-	-
TOTAL EXPENDITURES	1,970,838	1,505	96,305	640,473	76,010	750,639	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,431,096)	470	21,560	1,803	(71,431)	107,968	63,943
OTHER FINANCING SOURCES (USES)							
Lease Proceeds	1,034,111	-	-	-	-	-	-
Transfers In	100,000	-	-	82,030	-	70,000	-
TOTAL OTHER FINANCING SOURCES (USES)	1,134,111	-	-	82,030	-	70,000	-
CHANGES IN FUND BALANCES	(296,985)	470	21,560	83,833	(71,431)	177,968	63,943
FUND BALANCES, Beginning	288,783	-	-	40,170	99,742	1,970,893	375,302
FUND BALANCES, Ending	<u>\$ (8,202)</u>	<u>\$ 470</u>	<u>\$ 21,560</u>	<u>\$ 124,003</u>	<u>\$ 28,311</u>	<u>\$ 2,148,861</u>	<u>\$ 439,245</u>

LODGING TAX	SHERIFF COMMISSARY	MINERAL BELT TRAIL	AMBULANCE SERVICE	CAPITAL ACQUISITION	TOTAL
\$ 334,493	\$ -	\$ -	\$ 753,518	\$ 266,383	\$ 1,358,256
-	-	-	-	-	32,463
56,395	-	-	-	-	604,284
-	-	-	-	-	1,421,001
-	-	22,898	-	-	25,809
-	-	-	-	-	63,943
-	98	-	-	-	157,016
<u>390,888</u>	<u>98</u>	<u>22,898</u>	<u>753,518</u>	<u>266,383</u>	<u>3,662,772</u>
-	-	-	-	-	641,978
-	-	-	-	-	2,763,886
-	-	-	825,954	-	825,954
-	-	7,170	-	-	103,475
425,673	-	-	-	-	425,673
-	-	-	-	508,081	508,081
-	-	-	-	247,254	267,018
-	-	-	-	52,772	66,609
<u>425,673</u>	<u>-</u>	<u>7,170</u>	<u>825,954</u>	<u>808,107</u>	<u>5,602,674</u>
<u>(34,785)</u>	<u>98</u>	<u>15,728</u>	<u>(72,436)</u>	<u>(541,724)</u>	<u>(1,939,902)</u>
-	-	-	-	453,281	1,487,392
-	-	-	-	-	252,030
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>453,281</u>	<u>1,739,422</u>
(34,785)	98	15,728	(72,436)	(88,443)	(200,480)
<u>170,581</u>	<u>6,401</u>	<u>82,401</u>	<u>9,580</u>	<u>849,847</u>	<u>3,893,700</u>
<u>\$ 135,796</u>	<u>\$ 6,499</u>	<u>\$ 98,129</u>	<u>\$ (62,856)</u>	<u>\$ 761,404</u>	<u>\$ 3,693,220</u>

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
PUBLIC HEALTH FUND
Year Ended December 31, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Intergovernmental	\$ 960,135	\$ 1,158,662	\$ 439,917	\$ (718,745)
Licenses and Permits	27,000	27,000	32,463	5,463
Charges for Services	12,000	12,000	50,124	38,124
Miscellaneous	35,260	35,260	17,238	(18,022)
TOTAL REVENUES	<u>1,034,395</u>	<u>1,232,922</u>	<u>539,742</u>	<u>(693,180)</u>
EXPENDITURES				
Health and Welfare	1,183,775	1,451,941	1,937,237	(485,296)
Debt Service				
Principal	-	-	19,764	(19,764)
Interest	-	-	13,837	(13,837)
TOTAL EXPENDITURES	<u>1,183,775</u>	<u>1,451,941</u>	<u>1,970,838</u>	<u>(518,897)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(149,380)</u>	<u>(219,019)</u>	<u>(1,431,096)</u>	<u>(1,212,077)</u>
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	1,034,111	1,034,111
Transfers In	-	-	100,000	100,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>1,134,111</u>	<u>1,134,111</u>
CHANGE IN FUND BALANCE	(149,380)	(219,019)	(296,985)	(77,966)
FUND BALANCE, Beginning	<u>466,859</u>	<u>288,783</u>	<u>288,783</u>	<u>(178,076)</u>
FUND BALANCE, Ending	<u>\$ 317,479</u>	<u>\$ 69,764</u>	<u>\$ (8,202)</u>	<u>\$ (77,966)</u>

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
GET OUTDOORS LEADVILLE! FUND
Year Ended December 31, 2023

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 100,000	\$ 107,972	\$ 7,972
Miscellaneous	-	-	9,893	9,893
 TOTAL REVENUES	 -	 100,000	 117,865	 17,865
EXPENDITURES				
Culture and Recreation	-	11,734	96,305	(84,571)
 CHANGE IN FUND BALANCE	 -	 88,266	 21,560	 (66,706)
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ 88,266	\$ 21,560	\$ (66,706)

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
AIRPORT FUND
Year Ended December 31, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Charges for Services	\$ 330,000	\$ 388,379	\$ 455,747	\$ 67,368
Leases and Rentals	60,000	60,000	65,366	5,366
Miscellaneous	155,000	155,000	121,163	(33,837)
TOTAL REVENUES	545,000	603,379	642,276	38,897
EXPENDITURES				
General Government	693,773	725,769	640,473	85,296
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(148,773)	(122,390)	1,803	124,193
OTHER FINANCING SOURCES (USES)				
Transfers In	82,030	82,030	82,030	-
CHANGE IN FUND BALANCE	(66,743)	(40,360)	83,833	124,193
FUND BALANCE, Beginning	218,676	40,170	40,170	-
FUND BALANCE, Ending	\$ 151,933	\$ (190)	\$ 124,003	\$ 124,193

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
BLOOD LEAD MONITORING FUND
Year Ended December 31, 2023

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		Positive (Negative)
REVENUES				
Contributions	\$ 75,000	\$ 75,000	\$ 2,911	\$ (72,089)
Miscellaneous	4,700	4,700	1,668	(3,032)
 TOTAL REVENUES	 <u>79,700</u>	 <u>79,700</u>	 <u>4,579</u>	 <u>(75,121)</u>
EXPENDITURES				
Health and Welfare	98,768	98,768	76,010	22,758
 CHANGE IN FUND BALANCE	 <u>(19,068)</u>	 <u>(19,068)</u>	 <u>(71,431)</u>	 <u>(52,363)</u>
FUND BALANCE, Beginning	<u>138,507</u>	<u>99,742</u>	<u>99,742</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 119,439</u>	<u>\$ 80,674</u>	<u>\$ 28,311</u>	<u>\$ (52,363)</u>

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
LANDFILL FUND
Year Ended December 31, 2023

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		Positive (Negative)
REVENUES				
Taxes	\$ 5,000	\$ 5,000	\$ 3,862	\$ (1,138)
Charges for Services	887,500	887,500	847,789	(39,711)
Miscellaneous	<u>-</u>	<u>-</u>	<u>6,956</u>	<u>6,956</u>
 TOTAL REVENUES	 <u>892,500</u>	 <u>892,500</u>	 <u>858,607</u>	 <u>(33,893)</u>
 EXPENDITURES				
Health and Welfare	<u>1,250,371</u>	<u>1,384,657</u>	<u>750,639</u>	<u>634,018</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(357,871)</u>	<u>(492,157)</u>	<u>107,968</u>	<u>600,125</u>
 OTHER FINANCING SOURCES (USES)				
Transfers In	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>70,000</u>
 CHANGE IN FUND BALANCE	 (287,871)	 (492,157)	 177,968	 670,125
 FUND BALANCE, Beginning	 <u>2,523,051</u>	 <u>1,970,893</u>	 <u>1,970,893</u>	 <u>-</u>
 FUND BALANCE, Ending	 <u>\$ 2,235,180</u>	 <u>\$ 1,478,736</u>	 <u>\$ 2,148,861</u>	 <u>\$ 670,125</u>

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
Year Ended December 31, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Lottery Funds	\$ 89,752	\$ 89,752	\$ 63,943	\$ (25,809)
Miscellaneous	-	12,397	-	(12,397)
Interest	1,000	1,000	-	(1,000)
TOTAL REVENUES	<u>90,752</u>	<u>103,149</u>	<u>63,943</u>	<u>(39,206)</u>
 CHANGE IN FUND BALANCE	 90,752	 103,149	 63,943	 (26,809)
 FUND BALANCE, Beginning	 <u>398,930</u>	 <u>375,302</u>	 <u>375,302</u>	 <u>-</u>
 FUND BALANCE, Ending	 <u><u>\$ 489,682</u></u>	 <u><u>\$ 478,451</u></u>	 <u><u>\$ 439,245</u></u>	 <u><u>\$ (39,206)</u></u>

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
LODGING TAX FUND
Year Ended December 31, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Taxes	\$ 392,000	\$ 392,000	\$ 334,493	\$ (57,507)
Intergovernmental	88,000	88,000	56,395	(31,605)
 TOTAL REVENUES	 480,000	 480,000	 390,888	 (89,112)
EXPENDITURES				
Economic Development	489,444	563,759	425,673	138,086
 CHANGE IN FUND BALANCE	 (9,444)	 (83,759)	 (34,785)	 48,974
FUND BALANCE, Beginning	4,940	170,581	170,581	-
FUND BALANCE, Ending	\$ (4,504)	\$ 86,822	\$ 135,796	\$ 48,974

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
SHERIFF COMMISSARY FUND
Year Ended December 31, 2023

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 98	\$ 98
CHANGE IN FUND BALANCE	-	-	98	98
FUND BALANCE, Beginning	6,400	6,401	6,401	-
FUND BALANCE, Ending	<u>\$ 6,400</u>	<u>\$ 6,401</u>	<u>\$ 6,499</u>	<u>\$ 98</u>

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
MINERAL BELT TRAIL FUND
Year Ended December 31, 2023

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		Positive (Negative)
REVENUES				
Contributions	\$ 15,000	\$ 15,000	\$ 22,898	\$ 7,898
EXPENDITURES				
Culture and Recreation	7,100	7,100	7,170	(70)
CHANGE IN FUND BALANCE	7,900	7,900	15,728	7,828
FUND BALANCE, Beginning	84,000	82,401	82,401	-
FUND BALANCE, Ending	\$ 91,900	\$ 90,301	\$ 98,129	\$ 7,828

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
AMBULANCE SERVICE FUND
Year Ended December 31, 2023

	<u>BUDGET</u>		<u>ACTUAL</u>	VARIANCE
	<u>ORIGINAL</u>	<u>FINAL</u>		Positive (Negative)
REVENUES				
Taxes	\$ 761,401	\$ 761,401	\$ 753,518	\$ (7,883)
EXPENDITURES				
Public Safety	750,500	800,365	825,954	(25,589)
CHANGE IN FUND BALANCE	10,901	(38,964)	(72,436)	(33,472)
FUND BALANCE, Beginning	(4,254)	9,580	9,580	-
FUND BALANCE, Ending	\$ 6,647	\$ (29,384)	\$ (62,856)	\$ (33,472)

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
CAPITAL ACQUISITION FUND
Year Ended December 31, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Taxes	\$ 266,089	\$ 356,787	\$ 266,383	\$ (90,404)
EXPENDITURES				
Debt Service - Principal	103,794	103,794	247,254	(143,460)
Debt Service - Interest	-	-	52,772	(52,772)
Capital Outlay	164,751	331,677	508,081	(176,404)
TOTAL EXPENDITURES	268,545	435,471	808,107	(372,636)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,456)	(78,684)	(541,724)	(463,040)
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	453,281	453,281
CHANGE IN FUND BALANCE	(2,456)	(78,684)	(88,443)	(9,759)
FUND BALANCE, Beginning	71,937	849,847	849,847	-
FUND BALANCE, Ending	\$ 69,481	\$ 771,163	\$ 761,404	\$ (9,759)

LAKE COUNTY, COLORADO
BUDGETARY COMPARISON SCHEDULE
INTERNAL SERVICE FUND
Year Ended December 31, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		Positive (Negative)
OPERATING REVENUES				
Taxes	\$ 1,048,887	\$ 1,048,887	\$ 1,051,770	\$ 2,883
Contributions	1,578,433	1,578,433	1,676,214	97,781
Miscellaneous	5,000	5,000	5,608	608
TOTAL OPERATING REVENUES	<u>2,632,320</u>	<u>2,632,320</u>	<u>2,733,592</u>	<u>101,272</u>
EXPENDITURES				
Insurance Premiums and Payments	2,483,153	2,719,426	2,581,620	137,806
Claims	-	11,120	11,120	-
TOTAL EXPENDITURES	<u>2,483,153</u>	<u>2,730,546</u>	<u>2,592,740</u>	<u>137,806</u>
CHANGE IN NET POSITION				
BUDGETARY BASIS	<u>\$ 149,167</u>	<u>\$ (98,226)</u>	<u>\$ 140,852</u>	<u>\$ 239,078</u>

COMPLIANCE SECTION

SINGLE AUDIT

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of County Commissioners
Lake County, Colorado
Leadville, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Lake County, Colorado (the County) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County and have issued our report thereon dated January 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-001 for the County.

Board of County Commissioners
Lake County, Colorado

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. the County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

DMC Auditing and Consulting, LLC

January 13, 2025
Bailey, Colorado

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE,
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Board of County Commissioners
Lake County, Colorado
Leadville, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lake County, Colorado’s (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended December 31, 2023, the County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-002, and 2023-003 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County. We issued our report thereon dated January 13, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DMC Auditing and Consulting, LLC

January 13, 2025
Bailey, Colorado

LAKE COUNTY, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-through to Subrecipients	Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Colorado Department of Human Services				
<u>SNAP Cluster</u>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	-	180,666
<u>Total SNAP Cluster</u>				<u>180,666</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				180,666
U.S. DEPARTMENT OF JUSTICE				
Direct				
Congressionally Recommended Awards	16.753	N/A	-	99,029
Judicial Training on Child Maltreatment for Court Personnel Juvenile Justice Programs	16.575	N/A	-	7,228
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>106,257</u>
U.S. DEPARTMENT OF TRANSPORTATION				
Direct				
Airport Improvement Program	20.106	N/A	-	996,774
Passed Through Colorado Department of Transportation				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	N/A	-	116,278
TOTAL U.S. DEPARTMENT OF JUSTICE				<u>1,113,052</u>
U.S. DEPARTMENT OF TREASURY				
Direct				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	940,479
Passed Through Colorado Department of Human Services				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	3,991
TOTAL U.S. DEPARTMENT OF TREASURY				<u>944,470</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Passed Through State Department of Public Health and Environment				
Voluntary School and Child Care Lead Testing and Reduction Grant Program	66.444	N/A	-	358
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through State Department of Human Services				
Guardianship Assistance	93.090	N/A	-	1,164
<u>Child Care Disaster Relief Cluster</u>				
Child Care and Development Block Grant	93.575	N/A	-	64,547
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	N/A	-	47,235
<u>Subtotal Child Care Disaster Relief Cluster</u>				<u>111,782</u>
Temporary Assistance for Needy Families (TANF)	93.558	N/A	-	387,208
Child Support Enforcement	93.563	N/A	-	134,160
Low-Income Energy Assistance	93.568	N/A	-	34,597
Stephanie Tubbs Jones Child Welfare Services Program	93.645	N/A	-	-
Foster Care Title IV-E	93.658	N/A	-	158,771
Adoption Assistance	93.659	N/A	-	27,111
Social Services Block Grant	93.667	N/A	-	53,296
Elder Abuse Prevention Interventions Program	93.747	N/A	-	(11,277)
<u>Medicaid Cluster</u>				
Medical Assistance Program	93.778	N/A	-	215,614
<u>Subtotal Medicaid Cluster</u>				<u>215,614</u>
Passed Through Colorado Department of Public Health and Environment				
Family Planning Services	93.217	N/A	-	64,899
Public Health Emergency Preparedness	93.069	N/A	-	24,980
Immunization Cooperative Agreements	93.268	N/A	-	27,763
Maternal and Child Health Services Block Grant to the States	93.994	N/A	-	16,447
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	N/A	-	153,766
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	N/A	-	46,678
TOTAL U.S. DEPARTMENT OF HUMAN SERVICES				<u>1,446,959</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through the Colorado Division of Homeland and Emergency Management				
Emergency Management Performance Grants	97.042	N/A	-	152,783
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	<u>\$ 3,944,187</u>

LAKE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2023

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, using the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements. The County does not charge a de minimis indirect cost rate. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the County.

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. Non-cash expenditures are included in the schedule.

NOTE 2: Summary of Significant Accounting Policies

Governmental fund types account for the majority of the County's federal grant activity. Expenditures reported in the schedule of expenditures of federal awards are recognized on a modified basis of accounting. Subrecipient expenditures are recorded on a cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. Non-cash expenditures are included in the footnotes to this schedule.

NOTE 3: Indirect Cost Rate

The County has not elected to use the 10% de minimis cost rate.

NOTE 4: Value of Non-Cash Awards

Supplemental Nutrition Assistance Program (SNAP) electronic benefit transfers of \$993,400 are reported in the Social Services Fund and not reported in the Schedule of Expenditures of Federal Awards. SNAP benefits are provided exclusively by the electronic benefits method (EBT) and processed and determined by the State of Colorado. Therefore, SNAP benefits are not considered the County's federal award and not reported on the County's Schedule of Expenditures of Federal Awards.

LAKE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2023

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP): Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Noncompliance material to the financial statements noted?

- Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

- Yes No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Cluster/Program</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
20.106	Airport Improvement Program

Dollar threshold used to distinguish Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

- Yes No

LAKE COUNTY, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2023

SECTION II: FINANCIAL STATEMENT FINDINGS

2023-001: Material Weakness in Internal Controls Related to Financial Reporting

Criteria: AU-C Section 265, A.11 states that indicators of material weaknesses in internal control include restatement of previously issued financial statements to reflect the correction of a material misstatement due to fraud, an error and an identification by the auditor of a material misstatement of the financial statements under the audit in circumstances that indicate that the misstatements would not have been detected and corrected by the entity's internal controls, and ineffective oversight of the entity's financial reporting and internal control by those charged with governance.

Condition: We have identified multiple material corrections of errors in the County's financial statements for the fiscal year ended December 31, 2023. Many of these corrections required a restatement of the prior year's financial statements (2022).

Cause: The County's internal controls over financial reporting were not operating effectively. In addition, the County's accounting records were not reviewed nor reconciled on a timely basis to produce accurate financial records for the year-end audit and financial statements. This also includes timely reconciliation of balance sheet accounts and bank statements held by various County officers. However, it is important to note that the County's Finance Department experienced significant turnover in key positions that may have contributed to the material misstatements and weaknesses in internal controls.

Effect: Lack of internal controls over financial reporting has caused significant audit adjustments and could cause material errors and/or potential fraud.

Repeat Finding: No.

Recommendation: We recommend that the finance department staff and other County departments that maintain accounting records implement processes to review and reconcile all of the accounting records on a monthly basis and implement effective internal controls over those reconciliations in order to prevent future misstatements and errors.

Corrective Action Plan: Reported on page 60.

Finance

Document Title
Document Type
Month 00, 2024

112 W 5th St
PO Box 964
Leadville, CO 80461

LakeCountyCO.gov
M: (719) 839-1711
O: (719) 486-1622



Correction Action Plan:

2023-001: Material Weakness in Internal Controls Related to Financial Reporting

Problem: Material weaknesses in the financial reporting for fiscal year ending December 31, 2023. These inconsistencies resulted in a restatement of prior year's financials.

Actions Steps: Created an accounting control process and timeline that includes both monthly and annual closes, along with corresponding reconciliations that resolve financial transactions.

Status: This process began in January of 2024. The accounting control process is currently being refined and implemented, working up to monthly close across departments and collectively for Lake County.

Dates: January 1st, 2024, to present

Goal: To standardize the accounting control processes that recognize all levels of financial transactional details. Secondary goals on this managerial control process include improving accuracy and reliability of financial reporting.

LAKE COUNTY, COLORADO
SCHEDULE FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2023

SECTION III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2023-002: Material Weakness in Internal Controls over the Schedule of Federal Awards and Grants Management

Criteria: 2 CFR 200 Section 303 in part states that the recipient of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. In addition, the auditee must prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements.

Condition: We several significant Federal awards that were expended during 2023 that were not reported on the County's Schedule of Expenditures of Federal Awards, including the Coronavirus State and Local Fiscal Recovery Funds. In addition, we identified that certain County grants have not been submitted for reimbursement on a timely basis.

Cause: Based on our review of County's schedule of expenditures of federal awards, grants revenue, and receivables, we identified that the County may not be fully aware of existing grants and potential compliance requirements that will need to be fulfilled in order to avoid potential noncompliance penalties.

Effect: The County may be out of compliance with certain grant requirements and may incur penalties from the grantors.

Repeat Finding: No.

Recommendation: We recommend that the County create processes to identify, organize, and manage Federal awards and other grants and make sure that the grant requirements are properly maintained with effective internal controls over compliance and reporting. In addition, we recommend that the County prepares an accurate schedule of expenditures of federal awards and properly reconcile and record accruals related to grants at year-end.

Corrective Action Plan: Reported on page 62.

Correction Action Plan:

2023-002: Material Weakness in Internal Controls over the Schedule of Federal Awards and Grants Management.

Problem: There were significant Federal awards that were received and expended in 2023 that were reported incompletely.

Actions Steps: Creation of a Lake County Grant Policy that provides the standardized processes and procedures for applying, obtaining, managing and reporting of federally awarded funding. This process also is being used to manage and control all other funding sources (grants, private, state, etc.).

Status: The Lake County Grant Policy was adopted by the Board of County Commissioners in July of 2024. The Grant policy and guidelines are currently on an annual review – to refine processes and address gaps in procedures. This allows for continuous improvement and managerial oversight for granted funds awarded (Federal, state and privately sourced funds).

Dates: July 2024 to present

Goal: To accurately and reliably manage and report on all granted funds awarded to Lake County Government.

LAKE COUNTY, COLORADO
SCHEDULE FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2023

2023-003: Noncompliance and Material Weakness in Internal Controls Over the Reporting Requirement

Federal Program: Coronavirus State and Local Fiscal Recovery Funds

Federal Assistance Listing Number(s): 21.027

Federal Agency: U.S. Department of Treasury

Pass-through Entity: N/A

Criteria: The UMB Compliance Supplement section L (Reporting) for the grant program requires that the County submits a project and expenditure report on a quarterly and annual basis.

Condition: We judgmentally selected two of four quarterly reports and the annual report for the grant program for testing compliance and internal control over the reporting requirement. However, we were notified by management that several of the required quarterly and one annual report were not filed in a timely manner by the required deadline(s), which put the County out of compliance with the grant program requirements. As result, this noncompliance has identified that the County does not have proper internal controls related to reporting based on 2 CFR 200 Section 303.

Cause: County did not have proper internal controls and processes in place to make sure that the reporting is satisfied on a timely basis. The County is out of compliance with the reporting requirement and indicates a lack of internal controls over reporting.

Effect: The County is out of compliance with the reporting requirement and indicates a lack of internal controls over reporting. This may be a violation of the Federal award that may cause additional requirements or additional oversight over the grant award.

Repeat Finding: No.

Recommendation: We recommend that the County re-evaluate the reporting processes over Federal awards at the County to be in compliance with the Federal requirements. In addition, we recommend that the County evaluate grant requirements including reporting and related internal controls to avoid future noncompliance.

Corrective Action Plan: Reported on page 64.

Correction Action Plan:

2023-003: Noncompliance and Material Weakness in Internal Controls Over the Reporting Requirement

Problem: Lake County Government did not file quarterly or annual reports as required by Coronavirus State and Local Fiscal Recovery Funds as per Department of Treasury.

Actions Steps: All Coronavirus State and Local Fiscal Recovery Funds must be managed going forward as per the standardized grant funding policy in both process and procedure.

Status: Granted funds awarded to Lake County Government are managed and controlled via the BOCC voted and approved Lake County Grant Policy.

Dates: July 2024 to present

Goal: To accurately and reliably manage and report on all funds granted awarded to Lake County Government.

LAKE COUNTY, COLORADO
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2023

PRIOR YEAR FINANCIAL STATEMENT FINDING

2022-001: Timely and Accurate Preparation of the Annual Financial Statements

Condition: The County does not have the adequate level of qualified accounting personnel that allows for the routine monthly reconciliations and accounting procedures that would maintain the County's books and records to be in a condition that would promote the timely and accurate preparation of the annual financial statements.

Repeat Finding: Yes

Status: This finding is repeated in 2023. The County has taken some corrective action such as hiring additional accounting personnel, deputy finance director, and a new finance director to address this finding. However, we believe that the new accounting staff and finance director need more time in the position to address the condition of this finding.

Correction Action Plan:

2022-001: Timely and Accurate Preparation of the Annual Financial Statements

Problem: Lake County Government historically did not attract, hire, and retain GAAP and GASB trained accounting professionals. This resulted in the monthly and annual financial close being outsourced rather than being completed internally by the Lake County finance team.

Actions Steps: Implementation of monthly and annual closes along with corresponding reconciliations. This plan includes third party training and knowledge of historical prior practices that resulted in deficiencies to guide the creation of appropriate processes and procedures. Key staffing hires consisted of experienced finance personnel relative to specialized positional needs. Examples of this include payroll, two full-time accounting staff, accounts payable, and grant administration. Finance Management hires include a Deputy Finance Director and Finance Director, to provide adequate coverage and continuity within the department.

Status: This process began in earnest on Jan 2024, with hirings and retention receiving specific focus in July 2024.

Dates: January 2024 to present ongoing concern.

Goal: To continue to decrease deficiencies in financial control and incrementally improve across all facets of financial control, reporting, and fiduciary responsibilities. Integral to this plan is the goal of internally controlling and managing financial and accounting based processes to better deliver useful financial information.

STATE COMPLIANCE

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/23

This Information From The Records Of: COUNTY OF LAKE	Prepared By: William Imhof
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 178,027.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 1,605,152.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	\$ 567,911.00
3. Other local imposts (from page 2)	\$ 639,429.00	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 88,414.00	d. Total (a. through c.)	\$ 567,911.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 184,523.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 25,529.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 2,561,142.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 727,843.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government		2. Notes:	
(from page 2)	\$ 812,368.00	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	\$ 566,799.00	c. Total (a. + b.)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 2,107,010.00	3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 2,561,142.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				\$ -
1. Bonds (Refunding Portion)				\$ -
B. Notes (Total)				\$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 1,280,434.00	\$ 2,107,010.00	\$ 2,561,142.00	\$ 826,302.00	\$ -

Notes and Comments:

The submitted '20 report understated revenue \$547 and understated expenditures \$148, resulting in understating fund balance \$400. The submitted '21 report understated revenue \$6,911 and understated expenditures \$33,970, resulting in overstating ending fund balance by \$54,648 (cumulative though 2021). The submitted '22 revenues were understated \$6,911 and expenditures were understated \$33,970, resulting in overstating '22 ending fund balance by \$81,707 (cumulative through 2022). Beginning balance above is restated: 2021 end balance originally reported \$1,362,141 - \$81,707 = \$1,280,434

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/23

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	\$ 33,099.00
4. Licenses		f. Charges for Services	\$ 21,570.00
5. Specific Ownership &/or Other	\$ 639,429.00	g. Other Misc. Receipts	\$ 13,694.00
6. Total (1. through 5.)	\$ 639,429.00	h. Other	\$ 20,051.00
c. Total (a. + b.)	\$ 639,429.00	i. Total (a. through h.)	\$ 88,414.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 786,309.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 26,059.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	\$ 566,799.00
f. Total (a. through e.)	\$ 26,059.00	g. Total (a. through f.)	\$ 566,799.00
4. Total (1. + 2. + 3.f)	\$ 812,368.00	3. Total (1. + 2.g)	\$ 566,799.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 121,930.00	\$ 121,930.00
(4). System Enhancement And Operation		\$ 56,097.00	\$ 56,097.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 178,027.00	\$ 178,027.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 178,027.00	\$ 178,027.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: